



**According to the
Federal Reserve
Board:**

- 22% of a household's wages are committed to paying the interest on debts and a part of the principal
- U.S. consumer debt (credit cards plus car loans) recently passed **\$2 TRILLION**, which averages \$7,296 per person
- Some consumers carry balances that are more than their annual salaries

Debt Stress: You can beat it!

Credit card bills arrive in the mail once a month for each card. Debt collectors may be calling on the phone on a daily basis. Utilities are threatening to cut off your services. The car dealer is threatening to repossess your car. All of this pressure can and does cause constant anxiety and extreme stress.

Debt stress can cause problems in all areas of your life. It can invade your workplace. When you are distracted by worries about how to cope with your debts, your productivity at work is likely to decrease. It also can invade your home. Studies show that the leading cause of divorce is financial pressure, leading to arguments over money. It can even take over your life. Big financial decisions, like where to live, what car to buy, what you can afford to spend on a monthly, weekly, or daily basis can be affected by debt stress. Clearly you are not in any position to make the best decisions about your life when you are weighed down by grave worries about your ability to pay your bills.

Debt stress can even make you physically ill. Researchers at the Ohio State University found that "people who reported higher levels of stress about their debt showed higher levels of physical impairment and reported worse health than those with lower levels of debt." They also showed that "people with a higher proportion of their income tied up in credit card debt also showed higher levels of physical impairment."

How to Handle Debt Stress

According to the Consumer Credit Counseling Service of Atlanta, some tips about the best ways to handle debt stress are:

- **Assess your current financial situation.** The only way to get a handle on what you owe is to figure out how much you owe. Gather up all your credit card statements and other bills and total up everything you owe.
- **Create a debt repayment plan.** Once you know how much you owe, then you can work out a plan to pay off your debt. This should include either trimming expenses or increasing your income or both.
- **Avoiding adding to your debt.** Avoid making any purchases with your credit cards until you pay off your current balances. Then, make a pact with yourself not to charge any purchases unless you have a specific plan in place to pay off the balance in 90 days or less.
- **Commit to managing your money.** At least twice a month, allow some time to managing your finances. This includes paying bills, balancing your checkbook, and analyzing your expenses.

Get help if you need it. If you are overwhelmed and not sure where to start, contact Consumer Credit Counseling Service of the Midwest at 1-800-355-2227 or visit their website at: <http://www.cccservices.com/home.asp>